GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

UNSTARRED QUESTION NO:742
ANSWERED ON:26.02.2001
MODEL CONCESSION AGREEMENT FOR CONSTRUCTION OF NHDP
SUBODH MOHITE

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether the Government propose to make changes in model concession agreement for construction of National Highways Development Project to guarantee minimum rate of return to private investors;

(b) if so, the details thereof; and

(c) the other steps proposed by the Government to attract private sector investment in road sector?

Answer

MINISTER OF STATE FOR ROAD TRANSPORT AND HIGHWAYS (INDEPENDENT CHARGE) (MAJOR GENERAL (RETI KHANDURI, AVSM)

(a) No, Sir.

(b) Does not arise.

(c) Government has already provided a number of incentives for private sector such as tax holiday for five years and 30% tax deduction for another five years, duty free import of construction equipment, capital subsidy upto 40% in Build-Operate-Transfer Agreements on case-to-case basis, etc. In addition, annuity approach whereby the entrepreneur is assured a fixed annual sum to recover the investment, is also being adopted.